

# Senate Budget & Fiscal Review

## *Senator Wesley Chesbro, Chair*



Subcommittee No. 3  
on  
Health, Human Services, Labor, and Veterans Affairs

Senator Wesley Chesbro, Chair  
Senator Gilbert Cedillo  
Senator Tom McClintock  
Senator Bruce McPherson  
Senator Deborah Ortiz

Consultant, Ana Matosantos

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Friday, May 23, 2003  
9:00 a.m.  
Room 4203

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**Agenda I**  
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<u>Item</u>	<u>Description</u>	<u>Page</u>
5180	Department of Social Services	1

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**1. In-Home Supportive Services (IHSS)**

**Background:** The In-Home Supportive services (IHSS) program provides services to aged, blind or disabled individuals that allow them to remain safely in their own homes as an alternative to out-of-home care. Services include domestic services (meal preparation, laundry), nonmedical personal care services, assistance while traveling to medical appointments, teaching and demonstration directed at reducing the need for support, and other assistance. Services are provided through individual providers hired by the recipient, county contracts with service providers, or through welfare staff. 76.6 percent of the persons receiving IHSS are provided federally reimbursable services through the Personal Care Services Program, a Medicaid option implemented in California since 1993. The remaining are served through the State's IHSS Residual Program.

Current state law provides that the state share in provider rate increases above the state minimum wage in Public Authority and non-profit consortium counties. The state participates in provider wages up to \$9.50 and individual health benefits up to \$0.60 per hour. For subsequent years, the law requires that the state participate in total wages and individual health benefits up to \$12.10 per hour, not to exceed \$1.00 per hour increase in any fiscal year, when general fund revenues meet specified targets.

California would be required to participate in IHSS wage increases if general fund growth, as estimated in the May Revision, exceeds five percent of the 2002-03 general fund revenues. The state will not reach this level of general fund growth in the budget year according to the Governor's May Revision estimate.

**Governor's Budget:** The budget proposes to suspend the state's participation in IHSS wage increases for the budget year.

**Staff recommendation:** Reject the Governor's proposal.

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